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MR
SUBJECT: GOVERNOR OF CENTRAL BANK REPLACED

Classified By: CDA Steven Koutsis, Reasons 1.4(b)(d)

(U) Summary

-- On September 13 the governor of the Mauritanian Central Bank (BCM) Zeine Ould Zeidane was replaced by Ousmane Kane. The brief official announcement did not mention the reason for his departure.

-- The announcement came only one day after a successful IMF visit.

-- While many believe that Zeidane resigned to pursue a bid for the presidency, others think Zeidane was sacked for a less-capable Kane, more favored by the current leadership.

(C) Comments

-- Both views fit into longstanding suspicions; namely, that the military council will secretly work to influence the outcome of the elections, and that the current leadership are using their positions for personal gain.

-- We have yet to see any evidence to substantiate these fears.

-- The timing of the change is also surprising, as Mauritania had just completed a successful SMP, and began discussions with the IMF on a program for a Poverty Reduction and Growth Facility that would guarantee a high level of transparency. It remains to be seen whether his successor will maintain these standards.

End Summary and Comments.

11. (U) On September 13 the governor of the Mauritanian Central Bank (BCM) Zeine Ould Zeidane was replaced by Ousmane Kane. While rumors of such a change had been circulating for months, the timing was surprising, coming on the heels of the highly successful IMF visit which concluded the previous day (septel). Over the past 24 hours various rumors explaining the events have gained traction.

12. (U) It has long been rumored that Zeidane was planning to

make a bid for the presidency. His resignation is thus seen by many as a step towards this goal. Many also believe that Vall and the military council support Zeidane's bid and will secretly work to ensure his victory. However, others have

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discounted this rumor, suggesting instead that there may have been a rift between Zeidane and the council. As the theory goes, Zeidane may have provided too much information to the IMF during their past visit, leading to possible discovery of corruption on the part of Vall or the council.

¶3. (C) Zeidane, who holds various degrees including a PHD in Applied Mathematics and a Masters in Macroeconomics, is widely seen as capable, hardworking, and free from the rampant corruption seen in Mauritania. His replacement, while not rumored to be corrupt, is seen as less capable for the job. This has given rise to concern that he will be more likely influenced by Vall and the military council, and at worst, might be little more than a puppet. Kane was serving as Vall's economic advisor.

¶4. (U) Taya appointed Zeidane governor of the BMC in July of 2004, and it was widely expected that he would be replaced following the August 2005 coup. However, Vall and the military council kept Zeidane in place during an extremely sensitive economic period, when Mauritania was struggling to meet IMF and World Bank requirements for debt relief. Many believe that following this debt relief in June 2006, and the recent conclusion of a highly successful IMF visit (septel), Vall and the council decided to replace Zeidane with someone closer to the new leadership.
Koutsis